

TRPSTF: Sub-Team on Transmission Costs

4-Nov-16

AGENDA

1. Welcome and Roll Call (5 minutes)
2. Recap from Last Sub-Team Meeting (5 minutes)
3. Ground Rules (10 minutes)
4. Strawman: Transmission Cost Information Center Framework (30 minutes)
5. Other Factors/Potential Issues Affecting the TCIC (10 minutes)
6. Questions/Discussion (60 minutes)

TRPSTF: Sub-Team on Transmission Costs

Ground Rules

TOs will:

1. Proceed on a best efforts basis
2. Provide education from SMEs as needed
3. Use only publicly available data.
4. Support PJM, as appropriate, in developing the Transmission Cost Information Center

TOs will not:

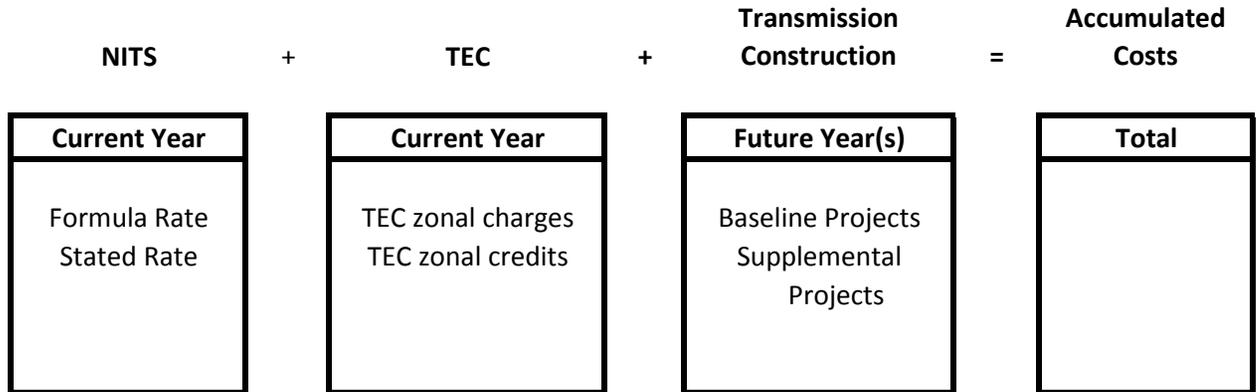
1. Provide rate forecasts/projections
2. Accept new reporting requirements
3. Accept requests that are unduly burdensome
4. Agree to or provide information for a prudency/regulatory review

DRAFT - WORK IN PROGRESS						
<u>PJM Transmission Cost Information Center</u>						
Transmission Cost Components and Data Sources						
<i>(Source: Public data available through PJM)</i>						
	Attachment H Network Integration Transmission Service (NITS)	Transmission Enhancement Charge (TEC)	Schedule 12 - Appendix	Transmission Construction Status	PJM TEAC Meetings and Meeting Materials	PJM Cost Allocation Filings
Source	http://www.pjm.com/markets-and-operations/billing-settlements-and-credit/formula-rates.aspx	http://www.pjm.com/markets-and-operations/billing-settlements-and-credit.aspx	http://www.pjm.com/documents/~media/documents/agreements/tariff.ashx	http://www.pjm.com/planning/rtep-upgrades-status/construct-status.aspx	http://www.pjm.com/committees-and-groups/committees/teac.aspx	http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx
Timing	Jan to Dec Rate Year June to May Rate Year July to June Rate Year	Jan to Dec Rate Year June to May Rate Year July to June Rate Year Ad Hoc	Jan to Dec Rate Year June to May Rate Year July to June Rate Year	Updated for New RTEP reports; Updated for ongoing TO updates	Monthly	Updated for New RTEP reports
Other Considerations	Valid for current rate year of company only	Outcomes of cost allocation proceedings	Limited use - cost allocation percentages only (no \$\$)	Includes both baseline and supplemental projects	n/a	Subject to challenge and FERC approval

PJM Transmission Cost Information Center

Transmission Cost Component Process

(Source: Public data available through PJM)



Note: Zonal updates of NITS and TEC costs are done in accordance with the timing of the annual update for each TO.

PJM Transmission Cost Information Center		
Definitions:		
NITS	Network Integration Transmission Service	Network customers pay daily demand charges to PJM transmission owners using the applicable zonal or non-zone Network Integration Transmission Service rates. All network customers in the AP zone receive rebates to hold them harmless from the network rate conversion upon PJM integration. For transmission owners (except those in ATSI, PPL, ComEd, Dayton, and Duquesne zones), the charges for their own transmission facilities are not actually paid (i.e., exempted with an equal amount credits) and are shown only to identify their cost responsibility as ordered by FERC.
	(OATT Section 34, Attachments H-1 through H-17, Attachment H-A, and TOA Section 7.8 Manual 27, Section 5)	
		<i>Charges:</i> Daily demand charges calculated as network customers' daily network service peak load contribution times 1/365th of the applicable zonal rate(s) for the zone(s) in which the network load is located. Monthly negative offset charges are rebated to AP zone network customers based on the applicable rates in PJM tariff Attachment H-11, section 4. Non-zone network service peak load contributions are coincident with the PJM Region peak.
		<i>Credits:</i> PJM zonal network transmission service revenues allocated to the applicable zone's transmission owners on a transmission revenue requirement basis. PJM non-zone network revenues allocated to transmission owners based on transmission revenue requirement ratio shares, with the ComEd, AEP, and Dominion shares further allocated to their respective zonal network customers based on demand charge ratios.
TEC	Transmission Enhancement (OATT Schedule 12)	All network customers and merchant transmission owners pay transmission owners for required transmission enhancement projects in accordance with the zonal cost responsibility allocations in the appendix to Schedule 12. All transmission projects collecting these payments are on PJM's website under Transmission Services/Formula Rates.
		<i>Charges:</i> All network customers serving load in a responsible zone pay for that zone's applicable projects' revenue requirements in proportion to their network service peak load share in that zone, and responsible merchant transmission owners also pay their share of applicable revenue requirements. Note that several EDCs bear these charges for the default suppliers in their territory.
		<i>Credits:</i> Total revenues allocated to the applicable transmission enhancement project owners, or the applicable transmission zone network customers for zonal TOs that include these project costs in their network rates.
Schedule 12	See TEC	
Transmission Construction Status		
PJM TEAC Meetings & Meeting Materials		
PJM Cost Allocation Filings		